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THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

THE TORONTO STOCK EXCHANGE

19/9/68

FILING STATEMENT NO. 1636.
FILED, OCTOBER 23rd, 1968.

THE INTERNATIONAL HELIUM COMPANY LIMITED

Full corporate name of Company

Incorporated under Part IV of the Corporations Act (Ontario) by letters patent dated May 26, 1960, as amended by supplementary letters patent dated April 24, 1961, May 8, 1961 May 26, 1963 and November 2, 1966.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous Filing Statement No. 1512.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(a) Agreement to loan to Company by Brantor Limited and Gairloch Investments Limited of up to $3,000,000 on security of all the assets of the Company (See item 20). (b) Developments in respect to the Company's interest in Guatemala and Mexico (see progress report). (c) Acquisition of 49% of the shares of Compania Minera La Ninita, S. A. (see item 20). (d) Changes in officers and directors (see item 3). (e) Decision not to proceed with change of name (see filing statement dated December 15, 1966). (f) Release of Gairloch Investments Limited of its commitment to finance the helium plant.
2. Head office address and any other office address.	Suite 907, 11 King Street West, Toronto 1, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule "A" on page 3.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 12,000,000 shares without par value Issued and Outstanding - 9,847,255 2/3 shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	$1,280,000 6% Sinking Fund Debentures due October 1, 1975. $3,000,000 7% Convertible Subordinated Debentures due November 15, 1973. Production loans - $168,034 in Canada and $U.S. 329,612 in the United States of America payable out of 75% of oil production. Pledge of Company's assets given to Brantor Ltd. and Gairloch Investments Limited pursuant to an agreement dated August 15, 1967 to loan or cause to be loaned to the Company up to $3,000,000 (See item 20). 7% Notes aggregating $863,325 held by shareholders. 8% Note for $63,510 held by Ellicott Machine Corporation payable in two years. Brantor Loan - ($2,800,000 has already been advanced as at the date of this Filing Statement)
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	No shares are subject to any option, underwriting or sale at the present time, except employees stock option in favour of C. H. van Brink, the President of the Company covering 200,000 shares at the rate of 40,000 shares each year for five years at a price of $3.00 per share, and an option granted on April 4, 1968 to V.V. Jacomini, an independent consulting engineer, to purchase 100,000 shares at $2.00 each, exercisable in whole or inpart for a period of 5 years commencing in 1968. In the event that all the 7% Convertible Subordinated Debentures are converted, 1,000,000 shares will be issued. This number of shares is based on full conversion at the first conversion price of $3.00. If the Debentures are converted at the subsequent prices, fewer shares will be issued. If any of the shares of the Company acquired by the purchasers of the Debentures by reason of conversion are to be sold or distributed to the public the holder of such shares will be required to file a prospectus with the Ontario Securities Commission. If the Ontario Securities Commission exempts the Company from the prospectus requirements, the Toronto Stock Exchange may require that a filing statement or other documents be filed to disclose the proposed distribution of shares acquired through the conversion.

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	C.H. van Brink, President of the Company has an employee's stock option (see item 6). V. V. Jacomini, an independent consulting engineer, has a stock option (see item 6). For particulars concerning the Company's 7% Convertible Subordinated Debentures, see Item 7 of the filing statement of the Company dated December 15, 1966.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	See Progress Reports on Mexico, Guatemala and on helium plans attached hereto and forming part of this Filing Statement.
10. Brief statement of company's chief development work during past year.	See Progress Reports on Mexico, Guatemala and the helium plans attached hereto and forming part of this Filing Statement. NOTE-See the Summary of Expenditures on page 7.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	2,916,209 shares are held in escrow of which 1,641,209 shares are subject to release only with the prior written consent of the Toronto Stock Exchange, 1,225,000 shares are subject to release only on the written consent of the Toronto Stock Exchange and the Ontario Securities Commission, and 50,000 shares are held subject to release only on the written consent of the Ontario ~~Securities Commission~~, ~~the Quebec Securities~~ Commission and the Toronto Stock Exchange.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Gairloch Corporation, c/o Bank of London and Montreal, Nassau, Bahamas - 582,105 shares; Brantor Limited, Toronto-Dominion Centre, Toronto 1, Ontario - 500,000 shares; Tectonic Enterprises, c/o McKinney, Bancroft & Hughes, P.O. Box 437, Boyle Building, Nassau, Bahamas - 274,104 shares; Ennerdale Investments Ltd., c/o E.D. Sassoon Banking Co. Ltd., Parliament Street, P.O. Box 1046, Nassau, New Providence, Bahamas - 285,000 shares; Gairloch Investments Ltd., Toronto-Dominion Centre, Toronto 1, Ontario - 1,275,000 shares of which 800,000 are held beneficially for Brantor Ltd.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Five Largest Shareholders Gairloch Investments Limited c/o Gairdner and Company Limited Box 53, Toronto-Dominion Centre TORONTO 1, Ontario 1,801,500 shares of which 1,275,000 are escrowed and 800,000 are held beneficially for Brantor Ltd. Gairdner and Company Limited Box 53, Toronto-Dominion Centre TORONTO 1, Ontario 1,678,860 shares of which 50,000 are owned beneficially, and 150,000 are held beneficially for The Glengair Group Limited. The balance are in street name for members of the public. Brantor Limited Box 76, Toronto-Dominion Centre TORONTO 1, Ontario 719,000 shares plus 500,000 in escrow (beneficially owned) Gairloch Corporation Limited c/o The Bank of London and Montreal NASSAU, Bahamas 456,604 shares plus 582,105 in escrow (beneficially owned) Glengair Investments Limited Toronto-Dominion Centre TORONTO 1, Ontario 684,821 shares (beneficially owned)

SCHEDULE "A"

Item No. 3

Office	Name	Address	Occupation
Chairman (Director)	Louis W. Erlich	1250 Shadow Hill Way Beverly Hills, California, U.S.A.	Executive
President (Director)	C. H. van Brink	76 The Bridle Path Don Mills, Ontario	Executive
Vice-President (Director)	J. H. Hawke	65 Douglas Drive Toronto, Ontario	Executive
Director	J. A. Gairdner	1306 Lakeshore Rd E Oakville, Ontario	Executive
Director	Hon. S.A. Hayden, Q.C.	140 Heath St. W. Toronto 7, Ontario	Queen's Counsel & Member of The Senate of Canada
Director	J. S. Gairdner	1506 Lakeshore Rd E Oakville, Ontario	Executive
Director	Graham C. Ferguson	34 Wilket Rd. Toronto, Ontario	Executive
Director	Douglas G. Milne	43 Wilket Rd. Toronto, Ontario	Barrister & Queen's Counsel
Director	Douglas B. Newman	40 Pleasant Blvd. Toronto, Ontario	Accounting Supervisor

Note:
Changes in Officers and Directors Since Annual Meeting

On July 4, 1967 D.B. Newman resigned as a director, and was re-elected on June 7, 1968.

On September 12, 1967 J.D. Park resigned as a director and Vice-Chairman.

On September 19, 1967 J.A. Gairdner resigned as Chairman, C. H. van Brink resigned as Executive Vice-President and was elected President. On the same date, (September 19, 1967) L.W. Erlich resigned as President and was elected Chairman of the Board.

On October 20, 1967 R.D. Bell and G.D. Pattison resigned as Secretary-Treasurer and Assistant Secretary-Treasurer respectively.

On November 10, 1967 J.B. Sheedy was appointed Secretary-Treasurer and resigned on June 30, 1968.

On May 10, 1968 Graham C. Ferguson was elected Director.

On June 7, 1968 D. G. Milne was elected Director.

On June 28, 1968 D. G. Milne was appointed Secretary-Treasurer.

SCHEDULE "B"

A. Loan Agreement

Pursuant to an agreement made as of August 15, 1967, Brantor Ltd. (hereinafter called "Brantor") and Gairloch Investments Limited (hereinafter called "Gairloch") have agreed to cause a new line of bank credit to be given to the Company of up to $3,000,000 or in the alternative, to make loans to the Company up to $3,000,000. Mr. J. S. Gairdner is a director of Brantor. Mr. J. A. Gairdner, 1306 Lakeshore Road East, Oakville, Ontario, is the only person who has a greater than 5% interest in Gairloch.

Pursuant to the Loan Agreement above, the Company has agreed to provide the lenders with a pledge of all its assets including a pledge of the Company's shares in its Mexican and Guatemalan affiliates and has agreed to cause its Guatemalan affiliate to grant a mortgage of a first mortgage to be made to the Company on the Guatemalan company's assets. The loan agreement and the granting of security under it has been consented to by all the creditors whose consent was required.

The Loan Agreement provides further that interest be charged at the prevailing rates from time to time at which Brantor and Gairloch are able to borrow money from a Canadian chartered bank. The current rate to date is 7%. In addition, the Company has agreed to release Gairloch from its obligations to provide money for the construction of a helium plant in Saskatchewan. The $3,000,000 loan will be used for the Company's operation in Guatemala and Mexico to provide

working capital and additional plant and equipment for the Company's sulphur properties in those countries.

Brantor and Gairpark have decided to lend the aforesaid funds directly to the Company and have already advanced some of the monies.

B. Priorities

Mr. LaFleur of Industrial Cryogenics Inc. has prepared complete plans and specifications for a helium extraction plant capable of producing 40,000,000 cu. ft. per annum at an approximate cost of $2,000,000. The plans include a layout model done to scale of the plant. The plant has been engineered complete with working drawings at a total cost of approximately $200,000 and the stage of letting the contracts out to tenders has been reached. Recently at a meeting of the Company's executive committee, a grant of $16,000 was authorized to be made to the Town of Mankota, Saskatchewan, in order to secure a water supply sufficient for the operation of the plant.

The directors of the Company have decided from a business point of view, that priorities in respect to the Company's various activities must be fixed. The directors feel that the Company's commitment in Mexico and Guatemala is sufficiently substantial and its future operations in those countries are so potentially profitable that for the time being all the Company's resources will be directed to the exploitation of the sulphur concessions in those two Latin American countries. Accordingly, the construction of the helium plant in Saskatchewan will not be proceeded with in the immediate future but will await a further stage of development in the Company's sulphur operations at which time construction of the helium plant will be commenced. This decision is a postponement and not an abandonment of plans in relation to the helium plant as it will appear from the above statements concerning the amount of planning done and time and money spent on the design of the helium plant.

C. Mapimi Property

At the same time as it acquired the Mexican property referred to in Filing Statement No. 1451, the Company acquired an interest in certain mining properties in and around the town of Mapimi in the State of Durango, Mexico consisting of a lead, zinc, and copper prospect ("Mapimi" property) at no cost other than the obligation to carry out an exploration program including drilling. According to the terms upon which the Company acquired its interest a new Mexican company has been incorporated by the name of Compania Minera La Ninita, S.A. which has applied to the Mexican Government for approval of the transfer to it of the Mapimi property. The approval and transfer is a matter of routine and will be accomplished shortly. The Company has a 49% interest in this new company, the balance being held by Mexican nationals. Exploration work has and is being carried out on the Mapimi property and several diamond drilling holes have been put down. The Company has retained Mr. J. W. MacLeod, Canadian geologist in Vancouver, who recommended that further geological work be done on this property in Mexico. This work has not yet commenced.

FINANCIAL STATEMENTS

THE INTERNATIONAL HELIUM COMPANY LIMITED
(Incorporated under the Corporation Act of Ontario)
and its subsidiary Companies
CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 1968

ASSETS

Current		
Cash	$ 521,726	
Accounts receivable	84,917	
Due from directors and officers	30,099	
Deposits and prepaid expenses	20,644	
Inventory	2,799	
		$ 660,185
Investment in Mexico and Guatemala (Note 2)		
Share capital	6,474,501	
Notes and advances receivable	3,954,910	
Exploration and development expenses	167,708	
		10,597,119
Helium leases under development (Note 3)		1,094,693
Oil and gas leases under development (Note 4)		1,921,508
Fixed (Note 5)		
Leasehold interests, well costs and well equipment	3,248,163	
Furniture and fixtures, at cost	19,429	
	3,267,592	
Less accumulated depletion and depreciation	996,837	
		2,270,755
Deferred		
Development and other expenditures	2,574,638	
Discount on debentures, less amortization	98,229	
Long-term debt costs, less amortization	199,908	
		2,872,775
		$19,417,035

.....DIRECTOR

.....DIRECTOR

LIABILITIES

Current		
Accounts payable and accrued liabilities	$ 660,422	
Bank production loans, secured, current portion (Note 8)	149,796	
U.S. income taxes payable	125,496	
Notes payable	63,510	
Loans from shareholders, secured, (Note 6)	2,738,880	
		$ 3,738,104
Long-term debt		
Loans from shareholders and their associated companies (Note 7)	863,325	
Bank production loans, secured (Note8)	374,218	
6% sinking fund debentures, due October 1, 1975 (Note 9)	1,280,000	
7% convertible subordinated debentures, due November 15, 1973 (Note 10)	3,000,000	
		5,517,543
		9,255,647
Minority shareholders' interest in Apache Oil and Helium Corporation		636,902
		9,892,549

SHAREHOLDERS' EQUITY

	Shares	
Capital stock		
Authorized 12,000,000 shares without par value		
Issued and fully paid		
For assets including helium agreements, mining claims and sulphur properties	8,583,228	10,774,192
For cash	1,264,027	1,578,668
	9,847,255	12,352,860
Deficit		(2,956,374)
Contributed surplus (Note 11)		128,000
		9,524,485
		$19,417,035

THE INTERNATIONAL HELIUM COMPANY LIMITED

and its Subsidiary Companies

CONSOLIDATED STATEMENT OF DEFERRED DEVELOPMENT AND OTHER EXPENDITURES

For the Six Months Ended June 30, 1968

	Balance December 31 1967	Expenditure During the Six Months	Balance June 30 1968
Development			
Helium leases, Saskatchewan:			
Geological reports and fees	$ 110,078	$ -	$ 110,078
Engineering fees	54,491	-	54,491
Lease rentals	156,224	16,437	172,661
Well development	183,122	-	183,122
Licences and miscellaneous	6,666	18,745	25,411
	510,581	35,182	545,763
Less cost of dry holes written-off to deficit	145,231	-	145,231
	365,350	35,182	400,532
Oil and gas leases, United States:			
Well development	16,761	3,046	19,807
Engineering fees	29,946	-	29,946
Production expenses	16,219	1,410	17,629
Depletion and depreciation	44,850	9,536	54,386
	107,776	13,992	121,768
Less oil and gas sales	41,647	11,299	52,946
	66,129	2,693	68,822
Administration and other			
Salaries	314,531	71,775	386,306
Professional services	161,647	12,603	174,250
Travelling	278,338	19,613	297,951
Office and accounting (including depreciation of $2,556, six months $862)	312,109	21,926	334,035
Printing and advertising	58,666	333	58,999
Management, stock transfer and listing fees	82,402	9,031	91,433
Interest and other financial expenses	235,328	171,374	406,702
Debenture interest	409,214	143,400	552,614
Amortization of debenture discount	30,470	6,726	37,196
Amortization of debenture financing expense	70,999	12,064	83,063
	1,953,704	468,845	2,422,549
Less interest income	208,699	108,566	317,265
	1,745,005	360,279	2,105,284
Total deferred development and other expenditures	$2,176,484	$398,154	$2,574,638

THE INTERNATIONAL HELIUM COMPANY LIMITED

and its Subsidiary Companies

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Six Months Ended June 30, 1968

SOURCE OF FUNDS		
From operations		
Charges to operations not requiring use of funds		
Depreciation and depletion	$	93,131
Amortization of long-term loan costs		14,813
Minority shareholders' interest		22,850
Net profit (loss) for the period		3,769
		134,563
Proceeds from sale of equipment		169,130
From working capital		961,292
	$	1,264,985
APPLICATION OF FUNDS		
Investment and advances to affiliate in Guatemala	$	298,464
Investments and advances to affiliates in Mexico		305,579
Reduction of bank production loans		259,364
Reduction of notes payable for equipment purchase		31,750
		895,157
Deferred Development and other expenditures		
Development		35,182
Administration		198,244
Debenture interest and other financial expenses		273,294
		506,720
Less interest income		108,566
		398,154
Less amounts charged not requiring an outlay of funds		
Depreciation and depletion		9,536
Amortization of debenture discount		6,726
Amortization of debenture financing expenses		12,064
		28,326
Net increase in deferred development and other expenditures		369,828
	$	1,264,985

THE INTERNATIONAL HELIUM COMPANY LIMITED

and its Subsidiary Companies

CONSOLIDATED STATEMENTS OF INCOME AND DEFICIT

For the Six Months Ended June 30, 1968

I N C O M E

Oil and gas sales		$ 242,563
Lease operating expenses		
Production expenses	46,321	
Royalties	18,253	
Interest on bank production loans	21,687	
	86,261	
General overhead expenses	17,203	
	103,464	
Income from production before the undernoted charges		139,099
Depreciation and depletion	93,131	
Amortization of long-term loan costs	14,813	
Provision for U.S. income taxes	4,536	
Provision for minority shareholders' interest in net income of Apache Oil and Helium Corporation	22,850	
	135,330	
Net profit (loss) for the period		$ 3,769

D E F I C I T

Balance beginning of year	$3,078,763
Net (profit) loss for the period	(3,769)
Gain on sale of leases and equipment	(118,620)
Balance end of period	$2,956,374

SUMMARY OF EXPENDITURES

to June 30,1968

GUATEMALA: Azufres de Guatemala Limitada	
Purchased notes from partners in Guatemala	$ 537,500
Purchase of small refinery equipment	519,126
Purchase of small ore concentrate plant (Motosi)	473,618
Resources Engineering	273,603
Plant site, houses, roadways at Ixpaco	616,830
Exploration and development work	172,337
General administration expenses	168,294
Due from partners in Guatemala	27,047
Cash funds advanced for expenditures not reported	267,900
	$3,056,255
MEXICO: Azufres Nacionales Mexicanos, S.A. de C.V.	
Cash funds on hand	$ 243,964
Machinery and equipment	102,437
Administration	218,001
Exploration and development	303,124
Cash funds advanced but not yet reported	31,129
	$ 898,655

TOTAL GUATEMALA	$3,056,255
TOTAL MEXICO	898,655
	$3,954,910

EXPLANATORY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1968.

1. Principles of Consolidation and Accounting

The consolidated financial statements include the accounts of the company, its wholly-owned subsidiary companies, International Helium Inc., and Nevada Oil and Helium Co.; and its 51.5% owned subsidiary, Apache Oil and Helium Corporation.

Oil and gas production and related expenses of The International Helium Company Limited, Canada, International Helium Inc. and Apache Oil and Helium Corporation in the United States are reflected in the consolidated statements of income. The helium activities of The International Helium Company Limited and the oil and gas activities of Nevada Oil and Helium Co. are still in the development stages and are reflected in the consolidated statement of deferred development and other expenditures. This latter statement also includes the portion of administrative expenses incurred by The International Helium Company Limited relative to its sulphur interests in Mexico and Guatemala.

Accounts maintained in foreign currencies have been converted to Canadian funds at the following rates of exchange:-

Mexico	-	1 peso = $.08 (U.S.)
Guatemala	-	1 quetzal = $1.00 (U.S.)
United States	-	$1.00 = $1.08 Canadian

Under present Guatemalan exchange control regulations, loan repayments out of profits are restricted to 15% per annum of the total investment for five years within any decade and 5% per annum for an additional five year period.

2. Investments in Mexico and Guatemala, $10,597,119

Share capital, $6,474,501.

Share capital is represented by the following:

	Number of Shares
Mexico	
Azufres Nacionales Mexicanos, S.A. de C.V., class B shares of 1,000 pesos each par value, fully paid	10,200
Operadora Anahuac, S.A., class B shares of 25,000 pesos each par value, 50% paid	340
Compania Minera 'La Ninita', class B shares of 100 pesos par value each	6,125
Guatemala	
Azufres de Guatemala Limitada, 50% share of 50,000 quetzales capital	

The value attributed to these shares is represented by the following:

3,282,418 shares of the company, to which a value of $1.50 each was attributed, issued for interests in and rights to sulphur properties and shares in Mexican companies	$4,923,627
Cost of re-organization	1,453,667
Purchase of 6,125 shares of Compania Minera 'La Ninita'	70,207
Purchase of 50% interest in Azufres de Guatemala Limitada	27,000
	$6,474,501

Notes and Advances Receivable, $3,954,910.

Azufres Nacionales Mexicanos, S.A. de C.V.	$898,655
Azufres de Guatemala Limitada	1,111,544
On behalf of Azufres de Guatemala Limitada, including accrued interest of $152,728 credited to deferred development expenses	1,913,734
Due from partners in Azufres de Guatemala Limitada	27,047
Sundry	3,939
	$3,954,910

The advances to Azufres Nacionales Mexicanos are repayable with interest at 7% per annum, such interest to accrue from the date the company begins to operate at a profit. Repayment is to be made from profits before payment of any dividends.

The sulphur mining concessions that Azufres de Guatemala Limitada are developing are registered in the names of former owners who have agreed that the concessions are beneficially held for Azufres de Guatemala Limitada. Application has been made for formal transfer of the titles to the concessions; however, until such time as the transfer takes place, Azufres de Guatemala Limitada is not able to record the value of the concessions acquired, nor the cost of equipment and expenses directly related to the concessions. Expenditures of $1,761,006 relating to the cost of the concessions, equipment and expenses have been made by International Helium on behalf of Azufres de Guatemala Limitada. The advances bear interest at 7% per annum and are repayable from profits before payments of dividends or other distributions to the partners.

Exploration and Development Expenses, $167,708.

These expenses relate to the Texistepec sulphur properties in Mexico and include the following:

Preliminary investigation	$72,477
Exploration expenses and engineering fees	86,347
Legal and other expenses	8,884
	$167,708

3. Helium Leases Under Development, $1,094,693

The company's helium leases and related costs in the Mankota area of Saskatchewan include the following:

Leases, as described below	$537,836
Well equipment, at cost	25,820
Intangible drilling costs	313,113
Plant site cost	11,891
Plant design cost	206,033
	$1,094,693

Helium leases on 61,926 acres have been obtained by issuing shares of the company or for cash as indicated below:

No. of Leases	Date Acquired	Acreage	Consideration	Value Attributed
1 lease	April 10, 1964	2,877	250,000 shares	$500,000
1 lease	April 1, 1961	19,360	cash	1
5 leases	April 10, 1964	39,689	cash	37,835
		61,926		$537,836

4. Oil and Gas Leases Under Development, $1,921,508

The value of the company's oil and gas leases under development in the United States includes the following:

Lease acquisition costs	$1,860,920
Intangible well cost	60,403
Well equipment	74,057
	1,995,380
Less accumulated depreciation and depletion	73,872
	$1,921,508

Oil and gas leases and related costs on 6,101 acres in Missouri and California were acquired in 1963 by issuing 2,500,000 shares of International Helium to which a value of $1.00 per share was attributed. During the period from acquisition to June 30, 1968, $104,380 has been expended on developing leases and during the same period, non-productive leases and related costs having a value of $609,000 were abandoned and written-off.

Of the total acreage under lease, there are producing wells on 1,700 acres. All of the properties are not fully developed and for this reason, the net costs of operating these leases have been included in the consolidated statement of deferred development and other expenditures.

5. Fixed: Leasehold Interests, Well Costs and Well Equipment

Producing properties are valued as follows:

Canada	
Intangible well costs, oil and gas	$362,689
Well equipment, oil and gas	173,387
	$536,076
U.S.A.	
Lease interests, helium	$1,571,920
Intangible well costs, oil and gas	994,584
Well equipment, oil and gas	145,583
	2,712,087
	$3,248,163

Canadian well costs and equipment are located on leased property in Alberta and are stated at cost.

The lease interests in the U.S.A. are represented by a 25% net profit interest in certain helium leases in Arizona. The value of these lease interests has been calculated as follows:-

1,000,000 shares to which a value of $1.00 per share was attributed	$1,000,000
Excess of the attributed value of the shares issued over the company's portion of equity acquired	483,820
Other expenditures	88,100
	$1,571,920

The well costs and equipment in the U.S.A. are located on leased property in the States of Arkansas, Louisiana and Texas and are stated at cost. During 1968, wells and equipment costing $156,412 were sold.

6. Loans from Shareholders $2,738,880 (US $2,535,900)

By an agreement dated August 15, 1967, two major shareholders agreed to loan International Helium up to $3,000,000 U.S. with interest at the prevailing rates at which they are able to borrow money from Canadian chartered banks. International Helium has granted a pledge of all its assets, subject to prior security of the bank production loans, and has agreed to cause Azufres de Guatemala Limitada to grant a mortgage of a first mortgage on its assets in Guatemala. In addition, International Helium agreed to release one of the major shareholders referred to above from its obligation to finance the construction of a helium plant in Saskatchewan.

7. Loans from Shareholders and Their Associated Companies $863,325

Certain shareholders and their associated companies have provided International Helium with operating funds on an interim basis. It has been agreed that these loans, which bear interest at 7% per annum, will not be repaid before the later of January 31, 1969, or the date of repayment of the loans referred to in Note 6.

8. Bank Production Loans $524,014

The producing oil and gas properties of the company and its wholly-owned subsidiaries are pledged to secure the bank production loans. It is estimated that approximately $149,796 will be payable within the next year.

The demand loan secured by the properties in Alberta is being retired out of 75% of production proceeds after paying the interest and royalty costs on the loan. The loan secured by properties in Texas, Louisiana and Arkansas held by International Helium Inc. is subject to the following minimum repayment expressed in U.S. dollars:

June 30, 1969	$120,000
June 30, 1970	120,000
June 30, 1971	135,000
June 30, 1972	132,868
	$507,868

9. 6% Sinking Fund Debentures Due October 1, 1975, $1,280,000

The debentures are secured by a floating charge on all the assets of the company subject to prior security of the bank production loans and the loans referred to in Note 6, are redeemable at par value, and may be called before maturity.

Under the terms of the trust indenture, the company is required to establish a sinking fund equal to 5% of the original outstanding aggregate principal amount of the debentures on or before October 1 in each of the years, 1969 and 1970, and 10% of the aggregate principal amount of the debentures on or before October 1 in each of the years, 1971 to 1974 inclusive.

10. 7% Convertible Subordinated Debentures due November 15, 1973, $3,000,000

These debentures are secured by a floating charge on all the assets of the company, such security being subordinated to prior security granted for the bank production loans, the loans referred to in Note 6, and the 6% sinking fund debentures. They are redeemable at par and may be called before maturity.

The holders of the debentures, at their option, have the right to convert them, at any time prior to the close of business on November 14, 1973, into fully paid non-assessable common shares of the company by applying the principal amount of the debenture to the purchase of common shares at the following conversion prices:

$3.00 per common share if converted on or before November 15, 1969

$3.50 per common share if converted after November 15, 1969, and on or before November 15, 1971

$4.00 per common share if converted after November 15, 1971, and on or before November 14, 1973.

11. Contributed Surplus, $128,000

Contributed surplus represents the value attributed to 256,000 donated shares received by the company. These shares were distributed in accordance with the terms of a rights offering relating to the 6% sinking fund debentures due October 1, 1975, and the balance remained unchanged during the period.

12. Salaries Paid to Directors and Senior Officers

Included in the Consolidated Statement of Deferred Development and Other Expenditures under the heading of Administration and Other are salaries of $50,455 paid to the senior officers of the company. No remuneration was paid to directors as such.

13. Contingent Liability

The company is a party to a lawsuit involving a claim by a firm of consulting and professional engineers for approximately $394,000 in respect to a balance of moneys for services rendered and for approximately $485,000 in respect to premature termination of the contract for said services. The company admits that some services were rendered but is disputing the amount claimed and is denying any damages for termination of the contract.

The company has entered a counterclaim for an accounting of the retainer of approximately $256,000 which it supplied the plaintiff plus damages aggregating approximately $700,000. The damages are in respect to the cost of the Motosi sulphur concentrator and refinery installed in Guatemala.

No steps have been taken in the action other than the serving of the writ and delivery of the claim and the filing and service of the company's defence and counterclaim. At this point the company's counsel is unable to assess the amount of direct or indirect benefit or liability arising from the action.

14. Commitment

Under an agreement with Azufres Nacionales Mexicanos, S.A. de C.V., International Helium is committed to provide an additional $302,000 for operational capital upon request from the Board of Administration of that company. It has also been agreed that International Helium will arrange financing on normal commercial terms for a sulphur extraction plant to be approved by the Board of Administration.

15. Stock Options

Under the terms of his employment, the President of the company has an option to purchase 200,000 shares of International Helium at $3.00 each, exercisable in equal amounts of 40,000 shares over a period of five years commencing in 1967.

On April 4, 1968, the company granted Mr. V. V. Jacomini, an engineer and an expert in sulphur mining, an option to purchase 100,000 shares of International Helium at $2.00 each, exercisable in whole or in part for a period of five years commencing in 1968.

MEMORANDUM

Re: The International Helium Company Limited ("Helium") - Report on Operations and Future Plans of Azufres de Guatemala Ltda.

Pursuant to the agreement mentioned in the last filing statement of Helium dated December 15, 1966, a company has been constituted in Guatemala in the form of a limited partnership between Helium, Sr. Ghitti Volpi and Compania San Luis, S.A. This new company has as its commercial name Azufres de Guatemala Ltda. ("Azufres"). Azufres has a capital of 50 000 quetzales which has been fully subscribed.

Azufres is the beneficial owner of the exploitation license granted over the Ixpaco Concession and is also the beneficial owner of the exploration licenses over the Tecuamburro, Pena Blanca and Playita Concessions. Pursuant to the plans mentioned in the last filing statement, Helium has advanced sufficient funds to Azufres to enable it to acquire the sulphur flotation plant designed by Sr. Motosi of Italy.

Prior to the entering into of the agreement by Helium with Sr. Ghitti Volpi and Compania San Luis, S.A. relating to the Guatemalan sulphur concessions, Mr. John D. Park Jr., who was directing the activities of Gairpark Enterprises Limited ("Gairpark"), ordered the Motosi plant from Italy. When Azufres took over Gairpark's interests, as mentioned in the Decemoer 15, 1966, filing statement, these interests were subject to the obligation to purchase the Motosi plant.

Resources Engineering of Canada Limited ("Resources") an engineering consultant firm, had made certain engineering estimates, recommendations and conclusions concerning the Motosi processing plant which were favourable. Indeed in a report prepared by Dr. Monture of Resources made in September, 1966, Dr. Monture states: "I am convinced that the Motosi process can make a good grade of sulphur from the Guatemala deposits". A feasibility study dated in March, 1967, was prepared by Resources, who became Azufres' engineers in the middle of 1966, in which the concepts of engineering the Motosi plant were developed.

During the installation of the Motosi plant, however, it became apparent that Sr. Motosi's claims as to the efficiency of the process, the quantity of output and the quality of concentrates produced, were not borne out. In other words, the plant was not performing as claimed by Sr. Motosi or as reported by Resources.

Helium became concerned and engaged in February, 1967, the firm of Tamplin and Ratnik, who are flotation experts, to study the problem. Mr. Tamplin of that firm went to Italy to see Sr. Motosi and discussed with him the methods of production,

as it was apparent that the size of the plant supplied was not sufficient to produce the tonnage output claimed by Motosi. As a result of this discussion, Sr. Motosi agreed to supply free of charge three additional flotation cells which would increase the output. One additional flotation cell was, in fact, supplied in July, 1967, and two more promised. However, even with the additional flotation cell the capacity of the Motosi plant was still not increased sufficiently to produce the output desired.

Furthermore, it was established that the Motosi plant, instead of producing sulphur in a concentrate form of 95% grade as claimed by Sr. Motosi, had produced only a 90% grade. After exploration of the markets available it was learned that there is not a sufficient market for this grade of sulphur. In addition, the moisture content was so high that the concentrate was a dangerous cargo to ship by sea. After installation of the Motosi equipment, it was discovered that due to the high acid content in the mud which contains the sulphur at the Ixpaco Concession, and the absence of acid proofing, the steel in the plant began to corrode.

Representatives of Gairpark who had made a study of the Motosi facilities, stated that the Motosi plant and process has operated successfully in Italy. It was on the basis of successful operation in Italy that the plant was ordered in the first place by Gairpark. However, not enough research and experimentation had been done to determine if the process would be capable of handling the type of ore found at Lake Ixpaco, which is mud and highly acidic. Resources, whom Gairpark and later Helium relied upon, were not sufficiently aware of the importance of the type of ore and the effect this would have on the Motosi process, and consequently failed to carry out the required tests. The cost for the Motosi plant was $400,000 U.S.

Several alternatives were considered. In view of the tight situation in the sulphur market, a number of natural volcanic sulphur deposits situated in various parts of the world, were considered for exploitation by several firms.

A number of companies in the United States, Canada and elsewhere, are experimenting with different systems of extraction and our own experiments, carried on at Lakefield Research of Canada Ltd. at Lakefield, Ontario, and Southwest Research Institute in San Antonio, Texas, indicated that a solvent extraction method might be more suitable than the flotation and refinery method originally envisaged. The Company subjected a number of samples to tests by companies which possessed mini-pilot plants for this purpose.

Helium is now satisfied that a hot leaching solvent extraction method is the method most indicated for the particular type of ore found at Lake Ixpaco.

The full answer to the problems concerning the extraction process in Guatemala will be available by the end of 1968.

As soon as the successful process for the extraction of sulphur has been completed it will take approximately 12 months for the Guatemalan property to be in production.

Almost the only question which still remains to be answered is the loss of solvent in the process. Since solvent costs about $175 a ton, a loss of one or two gallons to produce one ton of sulphur is not a serious matter and can be taken up in the cost of production and still make it an economical proposition. Helium is confident that the tests which are now pending will prove that the solvent losses are not uneconomical. The plans of Helium are now as follows:-

A sample of some 100 tons of sulphur will be processed in a pilot plant which has been set up in the United States. The results of the tests will determine -

(a) the production cost per ton of sulphur;

(b) the cost of a plant capable of producing some 500 tons of sulphur per day;

(c) the time required to install such a plant at Lake Ixpaco using partially the facilities already established there.

It is thought that the next three to four months will give us these answers.

In the beginning of this year, it was decided to continue the exploration programme already started at Tecuamburro, Pena Blanca and Playita, with a view to establishing as accurately as possible the ore reserves in these concessions. Under the guidance of Mr. Walter Galloway, the Manager responsible for operations in Guatemala, and later under the overall guidance of Ing. Carlos E. K. Bickford, the Manager in Guatemala, a drilling programme was laid out.

Azufres de Guatemala Ltda. acquired a "Winkie" drill as well as several other pieces of equipment. Apart from the drilling programme which is now completed, a number of pits and trenches, to a depth of over 30' in places, have been dug in strategic positions in the ore body. The results fell far short of expectations and we can now report that the sulphur content in these three concessions, which are apart from the Ixpaco concession, is only about 50,000 metric tons.

A re-evaluation of the ore body at Lake Ixpaco has shown that the information supplied at the time that Helium acquired the property from Gairpark has been erroneous. The error has been mainly caused by the fact that the water content of the ore body was put at too low a figure. A recalculation of the reserves has shown that the amount of sulphur available for extraction is somewhere in the neighbourhood of 1,200,000 metric tons of sulphur. As a result, the plant size has been tailored to this somewhat lower figure.

Mexico

Azufres Nacionales Mexicanos, S.A. de C.V., obtained an export licence from the Mexican Government permitting the export of the sulphur in stockpile, which was reported previously to contain some 10,000 tons. Mr. G. G. Lozano, the General Manager of Azufres Nacionales Mexicanos, has negotiated the sale of this sulphur in stockpile and the net proceeds, amounting to $306,000 U.S. is being applied to the exploration programme now in progress in Mexico.

At the present time, the exploration programme has been able to show up extensive additions to the known sulphur reserves and these reserves, as per May, 1968, stand as follows:-

	Proved	Probable	Possible
Original in Place	6,160,150	1,032,325	528,150
Originally Recoverable	4,312,105	722,628	369,705
Production	12,260		
Remaining Recoverable	4,299,845	722,628	369,705

In the meantime, we have commissioned Brown & Root, Inc., of Houston, Texas, to prepare an engineering study on a Frasch plant in Mexico. This study is now completed and shows that a 4,000,000 gallon per day of superheated water plant would cost some $6,125,000. Additional expenses to bring the property into production at the rate of 400,000 tons of sulphur a year would require a further capital investment of some $1,500,000 - $2,000,000, mainly for barges and tugs.

Under our arrangements with Fomento Minera, the Mining Department of the Mexican Government, the Company is now negotiating with financiers for the financing of these facilities.

As soon as the financing for the Mexican property is obtained and has been finalised, it will take 24 months for the plant to be built and in production.

C. H. van Brink,
President,
The International Helium Company Limited.

CHvB:pk
August 22, 1968.

NOTE-The following Engineering Reports concerning the Company's sulphur properties in Guatemala and Mexico are on file with Toronto Stock Exchange.

Guatemala

(1)"The Commercial Reserves of Lago Ixpaco Concession", dated February 12th, 1968, by D.D. Utterback, consultant.

(2)"The Evaluation of Lake Ixpaco Sulphur Ore Body", dated April 15th, 1968, by L. Ratnik, P.Eng..

Mexico

(1)"Drilling on Hornillas Mineral Concession", dated May 2nd, 1968, by DeGolyer and MacNaughton Incorporated.

(2)"Feasility Report", dated June 12th, 1968, by V.V. Jacomini.

(3)"Sulphur Reserves", dated May 3rd, 1966, by DeGolyer and MacNaughton Incorporated.

(4)"Proposed Frasch Type Sulphur Extraction Plant", dated June 3rd, 1968, by J. Doak,of Brown and Root, Incorporated.

(5)A letter on Mexican sulphur properties, dated May 2nd, 1968, by DeGolyer and MacNaughton Incorporated.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Mr. J.A. Gairdner, through his holding in Gairloch Investments Limited, c/o Gairdner & Company Limited, Toronto-Dominion Centre, Box 53, Toronto 1, Ontario, and Gairloch Corporation, c/o Bank of London and Montreal, Nassau, Bahamas. Brantor Limited, Box 76, Toronto-Dominion Centre, Toronto 1, Ontario. The Glengair Group Limited, Toronto-Dominion Centre, Toronto 1, Ontario. Neither Mr. J.A. Gairdner nor Gairloch Investments Limited nor Gairloch Corporation nor The Glengair Group Limited has any interest in Brantor Ltd. Mr. J.S. Gairdner has a beneficial interest in The Glengair Group Limited. The children of Mr. J.S. Gairdner and Mr. J.H. Gairdner have a beneficial interest in Brantor Ltd.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Securities — Cost — Present Mkt. Value * Azufres Nacionales Mexicanos, S.A. de C.V., Azufres de Guatemala Ltda., and Compania Minera 'La Ninita'. — $6,474,501 — No quoted market value. The Guatemalan Company's new name was changed to International Helium de Guatemala y Compania Ltda. on February 19, 1968. *See note to financial statements attached hereto.
18. Brief statement of any lawsuits pending or in process against company or its properties.	**Resources Engineering of Canada Limited and Resources Consultants of Canada Limited have commenced an action in the Supreme Court of Ontario claiming $392,333.14 alleging that sum to be due and owing under contracts for advice, design and supervision of construction of a helium extraction plant at Mankota, Saskatchewan, and a sulphur extraction and refining plant at Texistepec, Mexico, and for engineering services with respect to a sulphur mining and processing plant at Lake Ixpaco, Guatemala, and other projects and for estimated damages of $485,000 in respect to such contracts. The Company will vigorously defend this action and has entered a very substantial counterclaim against the plaintiffs.**
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	Loan Agreement dated August 15, 1967 between Brantor Ltd. and Gairloch Investments Limited under which the said companies agreed to loan or cause to be loaned up to $3,000,000 to the Company (see item 20). Agreement with Mexican Government under which the Company agrees to provide up to $U.S. 1,200,000 for working capital and also to cause to be built a Frasch plant for Azufres Nacionales Mexicanos, S.A. de C.V. (see item 20). Employee's stock option granted to C.H. van Brink, President of the Company (see item 6). Stock option granted to V.V. Jacomini, independant consulting engineer (see item 6). The Company has entered into an employment contract made as of January 2, 1967 with Mr. C. H. van Brink, President of the Company. Under this agreement, Mr. van Brink is employed in an executive capacity for a period of five (5) years from January 1, 1967, terminable on six (6) months' notice, at a remuneration of $50,000 per year.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	See Schedule "B" attached hereto and progress reports on Mexico, Guatemala and helium plans attached to and forming part of this Filing Statement. There are no other material facts. No shares of the Company are in the course of primary distribution to the public * See Schedule "B" on pages 3 and 4.

DATED Sept. 6/68

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"J.H. Hawke" _____ CORPORATE SEAL

"D.G. Milne" _____

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)